

**Proposed Regulatory Language
Committee II - Program Issues**

Quick Fix: Yes

Origin: ED

Issue: Treatment of Branch Campuses

Regulatory Cite: §600.8

Summary of Change: Clarify that the statutory "two-year rule" only applies to proprietary institutions of higher education and postsecondary institutions.

Change:

§ 600.8 Treatment of a branch campus.

A branch campus of an eligible proprietary institution of higher education or a postsecondary vocational institution must be in existence for at least two years as a branch campus after the branch is certified as a branch campus before seeking to be designated as a main campus or a free-standing institution.

**Proposed Regulatory Language
Committee II - Programs**

Quick Fix: Yes

Origin: ED Proposed 12/14/2001

Issue: Federal Work-Study - Employment Flexibility
for Proprietary Institutions

Regulatory Cite: §§675.2(b) & 675.21(b)

Summary of Change: The HEA places limitations on proprietary institutions with regard to the types of jobs that FWS students may hold when they are employed by the institution. One of those limitations is that FWS jobs that are on campus must furnish student services that are directly related to the student's education. These proposed regulatory changes would broaden and clarify the opportunities for students who attend proprietary institutions to be employed by the institution itself under the FWS Program.

Section 675.2 - The proposed change to §675.2 would expand the definition of "student services" by adding further examples, including job placement and assisting instructors in curriculum-related activities. The proposed change to §675.2 would also clarify that there is no expectation that the FWS job involve direct or personal services. Finally, the proposed change would clarify that some FWS jobs, such as those in facility maintenance, cleaning, purchasing, and public relations, are never considered student services.

Section 675.21 - The proposed change to §675.21 would move the statutory requirement that the job must be directly related to the student's education from the definition of student services in §675.2 to the actual regulatory requirements for employment at a proprietary institution.

Changes:

§675.2 Definitions.

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(b) The Secretary defines other terms used in this part as follows:

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Student services: Services that are offered to students ~~that are directly related to the work-study student's training or education and that~~ that may include, but are not limited to, financial aid, library, peer guidance counseling, job placement, assisting an instructor with curriculum-related activities, security, and social, health, and tutorial services. Student services do not have to be direct or involve personal interaction with students. For purposes of this definition, the activities services of facility maintenance, cleaning, purchasing, and public relations are never considered student services.

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§675.21 Institutional employment.

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(b) A proprietary institution may employ a student to work for the institution, but only in jobs that --

(1) Are in community services as defined in § 675.2; or

(2) Are on campus and that --

(i) Involve the provision of student services as defined in §675.2 that are directly related to the work-study student's training or education;

(ii) To the maximum extent possible, complement and reinforce the educational program or vocational goals of the student; and

(iii) Do not involve the solicitation of potential students to enroll at the proprietary institution.

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**Proposed Regulatory Language
Committee II - Program Issues**

Quick Fix: Yes

Origin: FED Up #7

Issue: Electronic Process - Administrative

Regulatory Cite: §668.165

Summary of Change: Whenever an institution credits a student's account with title IV loan funds, it must notify the student or parent of his or her right to cancel all or a portion of the loan or loan disbursement. The notice may be provided in writing or sent electronically. The proposed change to §668.165(a)(3)(ii) would eliminate the requirement that an institution must confirm the receipt of a notice that was sent electronically.

Change:

§668.165 Notices and authorizations.

(a) * * * * *

(3) The institution must send the notice described in this paragraph ~~(a)(2) of this section~~ either in writing ~~(i) No~~ earlier than 30 days before and no later than 30 days after crediting the student's account at the institution. ~~and~~ ~~(ii) Either in writing or electronically. If the institution sends the notice electronically, it must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation.~~